

Steve

The following outlines two approaches for modifying the current description of storage in the Preferred Program Alternative (PPA). This description will be a part of the Impact Analysis Document and the Phase II Report. Each description of storage is preceded by rationale for utilizing that particular approach. The parties that put together the Framework for Action need to consider which of these approaches, for describing the PPA, more appropriately covers their thinking considering the long history associated with development of the PPA as well as the intent of the Framework for Action.

Approach 1

The *California's Water Future* document states that, "Expanding water storage capacity is critical to the successful implementation of all aspects of the CALFED Program." The document goes on to describe that CALFED intends to take the necessary steps to pursue expansion and construction of several storage facilities. The document does not describe specific linkages to other program elements, other than the general Program linkages that are described in the Overview section. Similar language is likely to be used in the Program ROD.

In the past, CALFED has described specific linkages to implementing water conservation, recycling, and transfers as a prerequisite to constructing surface storage. In staff discussions over the past years, a similar approach has been suggested as a means for compliance with CWA 404 permitting requirements. Current understanding is that specific commitments to implementation of water conservation, recycling, and transfers would be set in the Program ROD. Under a MOU for compliance with CWA 404, these commitments would be recognized as conditions for determining the need for new surface storage.

The appropriate place to institutionalize these linkages is in this CWA 404 MOU. It is essential for timely implementation of the programs outlined in the *California's Water Future* document that this CWA 404 MOU be satisfactorily completed by the ROD. Discussions at a staff-level regarding the appropriate way to determine linkages have not produced a workable agreement. These issues must be addressed at the policy level. If the ROD does not serve as a deadline for completing the 404 MOU, no other upcoming event is likely to force the issue. Given that the 404 MOU will be completed, describing additional program linkages in the PEIS/EIR as prerequisites for new storage is both unnecessary and inconsistent with the *California's Water Future* document.

Storage

Groundwater and surface water storage can be used to improve water supply reliability, provide water for the environment at times when it is needed most, provide flows timed to maintain water quality, and protect levees through coordinated operation with existing flood control reservoirs. New or expanded groundwater and surface water storage facilities will be developed and constructed, together with aggressive implementation of water conservation, recycling and an improved water transfer market, as appropriate to meet CALFED goals and objectives. Implementation of new or expanded groundwater and surface water storage will be predicated

upon complying with all environmental review and permitting requirements.

One critical permitting requirement for new storage is compliance with ~~authorized under~~ Section 404 of the Clean Water Act. USACE, EPA and Program staff are developing a Memorandum of Understanding (MOU) to facilitate timely consideration of Section 404 permits for Program projects. In setting forth a process for assessing the need for additional storage ~~When completed,~~ this MOU will reflect ~~document~~ the commitments to be contained in the ROD to pursuing less environmentally damaging alternatives to surface storage, ~~and set forth a process for assessing the need for additional storage based, in part, on meeting these commitments.~~ Compliance with Clean Water Act Section 404 is discussed further in the Phase II Report.

The total volume of new surface and groundwater storage considered by CALFED ranges up to 6 MAF. Surface storage facility locations considered are in the Sacramento and San Joaquin Valleys and in the Delta. Further description of the ~~specific~~ storage projects to ~~that will be~~ pursued in Stage 1 is included in the Phase II Report. During Stage 1, CALFED agencies, together with appropriate local partners, will continue feasibility studies and initiate site-specific environmental review processes for these storage projects. These studies will be coordinated under CALFED's Integrated Storage Investigation. These efforts, together with further evaluations and experience with implementing water conservation, recycling and water transfers, will provide information to help CALFED periodically update it's Water Management Strategy. Throughout implementation, the Water Managment Strategy will serve as a framework for determining appropriate levels of investment in a variety of water management tools for attaining CALFED's water supply reliability goals and objectives.

Approach 2

The language for storage includes changes to make it consistent with the Framework for Action and to refine and narrow the linkage between storage and WUE (to clarify that the linkage occurs where WUE actions can contribute to project purposes of storage.) The language retains an explicit linkage between new storage and demonstrated progress in WUE. This explicit linkage is essential for several reasons. First, many stakeholders believe this explicit linkage is the most important assurance that CALFED offers. We recognized this when we placed it prominently in the PPA, and removing it would be seen as a retreat from a vital assurance. Second, we should not rely solely on a yet-to-be-completed 404 MOU to provide this linkage. A 404 MOU is the best tool to provide this assurance, but our pledge in the PPA is the best evidence of a sincere commitment to move all parts of the program forward together. Finally, the PPA was reviewed and carefully refined through many hours of negotiations among stakeholders, BDAC, and the CALFED agencies. To the extent we can reflect the spirit and intent of the Framework for Action while minimizing changes in the PPA, we should do so.

Storage

Groundwater and ~~for~~ surface water storage can be used to improve water supply reliability, provide water for the environment at times when it is needed most, provide flows timed to

maintain water quality, and protect levees through coordinated operation with existing flood control reservoirs. Decisions to construct groundwater ~~and/or~~and surface water storage will be predicated upon complying with all program linkages, including:

- ~~An~~Continued assessment of groundwater storage, surface storage, re-operation of power facilities and a fish barrier assessment as part of the Integrated Storage Investigation.
- Demonstrated progress in meeting the Program's water use efficiency, water reclamation and water transfer program targets under the Water Management Strategy where these actions can contribute to project purposes of new or expanded groundwater storage or surface storage.
- Implementation of groundwater monitoring and modeling programs.
- Compliance with all environmental review and permitting requirements.

Subject to the above conditions, new groundwater ~~and/or~~and surface water storage will be developed and constructed, together with aggressive implementation of water conservation, recycling and a protective water transfer market, as appropriate to meet CALFED Program goals. During Stage 1, through the Water Management Strategy (including the Integrated Storage Investigation) CALFED will evaluate and determine the appropriate mix of surface water and groundwater storage, identify acceptable projects and initiate permitting and construction if program linkages and conditions are satisfied.

The total volume of new or expanded surface and groundwater storage ~~being assessed for this alternative range considered by CALFED~~ ranges up to 6.06 million acre feet, and facility locations being considered are located in the Sacramento and San Joaquin Valleys and in the Delta. A list of sites for further consideration is included in the ~~Draft Programmatic EIS/EIR~~ Phase II Report.